

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) – Mega city funds subsumed into JNNURM Scheme – Creation of revolving fund – Sanction of loans from JNNURM Revolving Fund to Urban Local Bodies – terms and conditions approved – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Rt.No. 272

Dated: 17.02.2014

Read the following:

1. Lr.No.K-14011/55/2004-UD-II, dated 12.12.2006 from Ministry of Urban Development.
2. Minutes of the meeting of Board of Directors of APUFIDC dated 22.08.2013.
3. Minutes of the 11th meeting of Board of Trustees of APUIF, dated - 5.08.2013.
4. from Managing Director, APUFIDC Lr.Roc.No.2178/2013/JRF, dated 01.11.2013.

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ORDERS:

The Managing Director, APUFIDC Limited, has reported to Government that as per the instruction issued by Government of India, Ministry of urban Development in the reference 1st read above, Mega City Scheme is subsumed into JNNURM scheme and un-utilized funds and the interest accrued thereon shall be utilized as per JNNURM guidelines providing in urban local bodies based on the viability of project.

2. The Managing Director, APUFIDC has further reported that the Board of Directors of APUFIDC in its 48th meeting noted that the un-utilized funds and the interest accrued thereon will be pooled into JNNURM revolving fund and released as loans to implementing agencies of mission cities and to put up terms and conditions of repayment of these loans. It has been further reported that the Board of Directors of APUFIDC in its 50th meeting has approved the terms and conditions of JNNURM revolving fund and the same was also ratified by the Board of Trustees of APUIF.

3. The Managing Director, APUFIDC has therefore requested to issue orders, approving the terms and conditions for sanction of loans to Urban Local Bodies from JNNURM revolving fund.

4. The Government after careful examination of the proposal of the MD, APUFIDC hereby approve the following terms and conditions for sanction of loans to the ULBs from JNNURM revolving fund.

Terms and conditions:

I. Objective: To utilize the funds for infra projects or to leverage market funds for financing further investment to create sustainable infrastructure projects in the Urban Local Bodies.

II. Coverage: The JRF covers all ULBs and Parastatal agencies within the State of Andhra Pradesh.

III. Admissible Components: Following activities shall be admissible for consideration:

(a) Development of all infrastructure works (b) Development of Urban fringes, (c) Urban renewal, (d) Increasing the provision of serviced land and sites/houses at affordable costs specially for the urban poor, (e) to meet the growing urban needs, (f) Slum improvement and rehabilitation projects, (g) Laying/improvement/widening of arterial/sub-arterial roads within the urban areas to remove transport bottlenecks, and the like.

IV. Funding Pattern: APUFIDC will act as Fund Manager. The Loan Component in the project total cost will be decided by its Board on a case to case basis and the balance cost of the project shall be mobilized from institutional finance or met from the own funds by the urban local bodies/agencies.

V. Rate of Interest: An interest @ 7.5% p.a. will be charged on the loan amount disbursed. The rate of interest will be reset once in every 3 years depending on the market conditions and as decided by the APUFIDC from time to time.

VI. Repayment pattern:

1. Tenure of Loan – 15 years
2. Principal moratorium – 3 years
3. Interest moratorium – Nil
4. Principal Repayment period - 12 years

VII. Security: An Escrow Account for the Revenue from the project with the backing of general revenue of ULB/Agency and other general funds of ULB in case the project revenue is not adequate to meet the minimum requirements, shall be operated as a security for the repayment of loan and interest.

(or)

In case of non-revenue generating projects – immovable property worth of 1.25 times of the registration department value has to be mortgaged with APUFIDC.

VIII. Pre-disbursement Conditions: Statutory approvals which are necessary including Council/Board resolutions and administrative/technical sanction from competent authority and / or Government shall be obtained by ULB/Agency.

IX. Other Terms and Conditions:

1. Non-utilization/diversion of funds for purposes other than the project sanctioned shall not be allowed and in case of such event APUFIDC shall have the right to suspend the release of further installments of the loan or even terminate of the Loan agreement making the ULB liable for repayment of entire loan amount with interest along with 2% penalty immediately and the ULB shall not be eligible for future release of funds.
2. A documentation fee in an amount equal to half a percent (0.5%) of the amount of the loan, and a service fee in an amount equal to half a percent (0.5%) of the loan approved under the project shall be payable by the ULB/Agency and the said amount shall be deducted from the first installment of loan to be disbursed.
3. In the event of default of payment of any installment of the loan and /or the interest in respect of the loan on the due dates, the ULB shall pay an additional interest at the rate of two percent (2%) per annum, or such other rate as may be determined by the Board from time to time.
4. Failure to complete the project as per schedule attracts penalty and the ULB shall be liable to pay the penalty at 2% on the balance of works to be completed till the project is completed.
5. Third Party Quality Certification shall be carried out for the project sanctioned and such cost shall from part of the project cost.

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6. Disbursement will be as per the progress of the work and against proper Utilization Certificates and Third party Quality certificates/reports furnished by the ULB/Agency.
 7. Disbursement will be limited with the original scope of work only, any additions/extra work shall be funded by its own resources.
 8. Recovery of the loan including interest shall be closely monitored by the APUFIIDC and any case of violation/default shall be brought to the notice of the Government.
5. This order issues with the concurrence of Finance Department vide their U.O. 31350/591/A1/Expr.M&F/13, dated 20.01.2014.
6. The Managing Director, APUFIDC Limited, Hyderabad shall take further necessary action.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.SAMEER SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Managing Director, APUFIDC Limited, Hyderabad.

The Commissioner and Director of Municipal Administration, Hyderabad.

The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad.

The Commissioner, Greater Visakhapatnam Municipal Corporation, Visakhapatnam

The Commissioner, Vijayawada Municipal Corporation, Vijayawada.

The Commissioner, Tirupathi Municipal Corporation, Tirupathi.

Copy to:

The O.S.D. to Hon'ble M(MA).

The P.S. to Chief Secretary to Government.

The P.S. to Principal Secretary to Government (UD).

The P.S. to Principal Secretary to Government (MA).

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//FORWARDED BY ORDER//

ASSISTANT DIRECTOR